

PROJECT NO. 24116

**PROJECT TO IMPLEMENT THE
SYSTEM BENEFIT FUND**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

ORDER FOR FY 2002

In accordance with PURA¹ § 39.903(d), the Commission shall annually review and approve system benefit accounts, projected revenue requirements, and proposed nonbypassable fee. For fiscal year 2002 (FY 2002), the Commission adopts this Order, setting the nonbypassable fee for FY 2002 pursuant to PURA § 39.901(b) and (c) and requiring an assessment to establish the beginning fund balance.

I. Nonbypassable Fee

The Commission approves a nonbypassable fee of 65¢ per megawatt hour (MWh) for FY 2002, to be included in the transmission and distribution utilities' nonbypassable charges effective January 1, 2002.

II. Utility Assessment

To establish a necessary initial balance in the system benefit fund, the electric utilities shall pay the amounts as indicated in the table below. These amounts are based on the projected Texas retail electric sales of 232,689,147 MWh² and the nonbypassable fee of 65¢ per MWh.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 11.001 – 64.158 (Vernon 1998 & Supp. 2001) (PURA).

² This total is based on 1999 electric retail sales in the investor-owned utilities' areas, as listed in Project No. 22209, *2000 Update Reports of Generating Electric Utilities*, and adjusted for a projected 2.5% annual growth. The total indicated excludes sales in the service areas of El Paso Electric Company and Southwestern Public Service.

<u>UTILITY</u>	<u>AMOUNT</u>
Central Power & Light	\$ 6,061,819.35
Entergy Gulf States – TX	\$ 4,220,547.30
Reliant Energy – HL&P	\$19,751,270.95
Southwestern Electric Power Company – TX	\$ 2,130,917.90
Texas – New Mexico Power	\$ 1,448,833.40
TXU Electric	\$27,295,574.75
West Texas Utilities	\$ 1,376,400.40
Sharyland Utilities	\$ 927.33
Total	<hr/> \$62,286,291.38

III. Fee Remittance

The electric utilities identified in Section II of this Order shall remit the total assessed nonbypassable fee amounts, as set out in Section II, by September 15, 2001. However, an electric utility that is the subject of a Commission proceeding to determine whether customer choice should begin in its service area on January 1, 2002, shall remit the total assessed amount by November 15, 2001, if the Commission determines that customer choice shall begin on January 1, 2002. If the Commission determines that customer choice in the electric utility's service area shall not begin on January 1, 2002, the utility shall pay the assessed amount on a date, if any, established by Commission order.

Payments shall be made to the Texas Comptroller of Public Accounts in accordance with the instructions to be issued by the Administrative Services Division of the Commission. This Order applies only to the fees and revenues for FY 2002.

IV. Cost Recovery

An electric utility required by Section II of this Order to remit the nonbypassable fee for FY 2002 may recover the assessed amount by including it as part of its annual costs in the annual report required by PURA § 39.257 for the calendar year 2001, or, at its option, an electric utility

may include the assessed amount in the annual report for calendar year 2001 to be taken into consideration for recovery in the 2004 true-up proceeding.

Those electric utilities that do not have earnings in their annual report sufficient to cover the entire amount assessed in this Order may petition the Commission for other relief, including approval of the recovery of the assessed amount as a regulatory asset.

SIGNED AT AUSTIN, TEXAS THE _____ DAY OF AUGUST, 2001.

PUBLIC UTILITY COMMISSION OF TEXAS

MAX YZAGUIRRE, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER

REBECCA KLEIN, COMMISSIONER